

Message Text

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17

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 SAM-01 OPIC-03 DODE-00 PM-04 H-02 L-03

NSC-05 PA-01 PRS-01 SP-02 SS-15 NSCE-00 SSO-00

USIE-00 INRE-00 /069 W

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O R 191152Z FEB 76

FM AMEMBASSY LISBON

TO SECSTATE WASHDC IMMEDIATE 6055

INFO AMEMBASSY OSLO

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E.O. 11652: N/A

TAGS: EINV, PO

SUBJ: TIMEX DISPUTE

REF: (A) STATE 36194, (B) STATE 38118

1. TIMEX MANAGEMENT STATES THAT LABOR MINISTRY APPROVAL OF ITS PROPOSAL TO GO ON 60 PERCENT WORK SCHEDULE MUST BE GIVEN BY FEBRUARY 24; IF APPROVAL NOT FORTHCOMING, TIMEX WILL ANNOUNCE LAY-OFF ON FEBRUARY 24 OF ADDITIONAL 500 WORKERS IN ORDER TO RESUME FULL TIME WORK SCHEDULE FOR REMAINING 700 WORKERS. MANAGEMENT HOPES TO SEE LABOR MINISTER FEBRUARY 19 TO REQUEST MINISTER'S DECISION AND TO PRESENT FOR HIS STUDY DRAFT COMMUNIQUE ANNOUNCING ADDITIONAL LAY-OFF. COMMUNIQUE WILL BE LEFT AT MINISTRY SHOULD NO MEETING TAKE PLACE. TIMEX MAINTAINS THAT ANSWER IS NEEDED BY FEBRUARY 24 SO THAT MONTHLY PAYROLL, TO BE PAID ON FEBRUARY 27, CAN BE PREPARED. A NEGATIVE DECISION ON ORIGINAL TIMEX PROPOSAL (700 LAY-OFF/60 PERCENT WORK SCHEDULE) MEANS THAT TIMEX IS LEGALLY OBLIGED TO CONTINUE FULL WORK-WEEK. SUCH A NEGATIVE DECISION WOULD NECESSITATE THE ADDITIONAL LAY-OFF, ACCORDING TO MANAGEMENT, IF THE FIRM IS TO REMAIN FINANCIALLY VIABLE.

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2. LOCAL MANAGEMENT IS NOT CLEAR WHAT U.S. MANAGEMENT MEANS BY THREE-MAN COMMITTEE (REF A, PARA 4). IT HAS MET WITH FIVE-MAN COMMITTEE OF ANALYSIS ESTABLISHED BY LABOR MINISTRY BUT NO PROGRESS HAS BEEN MADE. WHILE MANAGER HAS NOT MET WITH MINISTER RECENTLY, HE HOPES TO SEE HIM FEBRUARY 19. MANAGEMENT WILL ADVISE EMBASSY OF RESULTS AND MAY THEN REQUEST ASSISTANCE IN FACILITATING MEETING. HOWEVER, MANAGER CONTINUES TO MAINTAIN THAT TIMEX ORIGINAL PROPOSAL IS FIRM'S MINIMUM BARGAINING POSITION.

3. SITUATION AT PLANT PEACEFUL BUT CHAOTIC. A GROUP OF WORKERS FROM ADMINISTRATIVE AND OTHER SUPPORT SERVICES OPPOSING WORKERS COMMITTEE (BUT NOT NECESSARILY SUPPORTING MANAGEMENT) HAS GONE ON PARTIAL STRIKE. FOUR-HOUR GENERAL MEETING, WITH MANAGEMENT ATTENDING, TOOK PLACE FEBRUARY 18. SEVERAL PROPOSALS PUT FORTH BUT NO PROGRESS. ONLY ABOUT 30 PERCENT OF "DISMISSED" WORKERS NOW COMING TO PLANT. CARLUCCI

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LABOR RELATIONS, CLOSURE OF OFFICES, PERSONNEL SEPARATIONS, FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LISBON01079
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760062-0263
From: LISBON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760235/aaaabeox.tel
Line Count: 79
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 STATE 36194, 76 STATE 38118
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 03 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 MAY 2004 by ifshinsr>; APPROVED <02 JUL 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TIMEX DISPUTE
TAGS: EINV, BGEN, PO, US, TIMEX
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006